



B. BACKGROUND OF CASE

7/10/03      Use of Cash Collateral - Order effective immediately  
7/25/03      Final Hearing on Use of Cash Collateral and Order  
8/7/03       Order Granting Motion for Permission to Use Cash Collateral  
8/27/03      Hearing on the Use of Cash Collateral  
10/20/03     Order Granting Permission to Use Cash Collateral

C. PLAN REVIEW

1. This Plan is designed to liquidate the estate of the Debtor with the exception of a 1999 Ford Expedition, a 1999 Ford F250 and a residence in which the Debtor is living.
2. Estimated time frame for liquidation:
  - (a) Equipment:            within 5 months
  - (b) Real property:        116 acres, time to market unknown
3. Class 2 - Taxes
  - (a) Per the Plan, Unsecured Priority Claims shall be paid in installments over the term of the Plan.
  - (b) The following entities have filed proofs of claim:

<u>Claim #</u>	<u>Creditor</u>	<u>Amount due</u>
20	State Insurance Fund	\$ 9,424.00
31	Internal Revenue	<u>16,169.02</u>
	TOTAL	\$25,593.02

- (c) There will be no regular income to make installments to Unsecured Priority Claims. Payment will need to be calculated at end of liquidation.
4. Sale of Assets - Secured Creditors
  - (a) The Trustee has been managing the cash collateral account. This has involved the sale of calves. All calves will be sold during the first week in December.

(b) Creditors who have filed UCC's on cattle:

SUMMARY OF UCC's WHICH RELATE TO BEEF CATTLE, CALVES, DAIRY CATTLE

#	Date	UCC #	Creditor	Collateral
25	2/21/96	F50574	D. L. Evans Bank	Beef Cattle
24	5/3/01	F66017	Farm Service	Beef Cattle, calves, dairy cattle
29	7/18/02	F38004	D. L. Evans Bank	Dairy cattle
23	9/14/00	B6392307	D. L. Evans Bank	Continuation 695415 - 2/21/96
21	9/14/00	B6362309	D. L. Evans Bank	Continuation 695416 - 2/21/96
19	9/14/00	B6362309	D. L. Evans Bank	Continuation 695423 - 2/21/96
28	2/01/01	F36348	D. L. Evans Bank	Continuation 50574 - 2/21/96

5. Classification of Creditors

In addition to the four (4) creditors listed in the Plan under classification of creditors, the Trustee would show the following creditors who have also filed UCC's:

- (a) 5/24/02 Farm Credit Leasing 2002 Pro Ag  
12 K Bale runner
- (b) 3/21/02 Christensen Implement John Deere 4555  
Tractor
- (c) 11/01/01 Agco Finance Heston 4755 Baler
- (d) 4/12/01 Telemark, LLC 120 calf condos

6. Vehicles to be retained by Debtor

- (a) Ford Motor Credit  
This creditor filed Proof of Claim #24 in the amount of \$8,546.39. The Plan proposes to pay in full the amount of the claim at \$555.00 per month.
- (b) Onyx Acceptance Corporation  
This creditor filed Proof of Claim #26 in the amount of \$15,845.88 for a 1999 Ford 250. The Plan proposes to pay this claim in full with a monthly payment of \$316.67.

7. Class 5 - Executory Contracts and Unexpired Leases

(a) Land o' Lakes

Per the Plan, the feed contract is rejected.

(b) Wells Fargo Financial Leasing

The Plan states the Debtors are questioning if this creditor has a true lease.

Wells Fargo Financial Leasing filed Proof of Claim #34 in the amount of \$12,000.00.

Attached to the Wells Fargo claim is a copy of a lease on 120 40' calf condos. This lease is on a form with the name of Telemark, LLC.

8. Review of Cash Collateral

(a) The Trustee has been managing all income and making all disbursements of cash collateral since the use of cash collateral was approved on July 10, 2003.

(b) Attached as Exhibit A is a re-cap of income and expenditures from July 10, 2003 through October 31, 2003.

(c) The Debtors have approximately 40 head of calves left to sell as of 11/11/03. The remaining calves will be sold as follows:

12 head of light weight calves will be sold the week of Nov. 12

14 head of 600# to 800# calves will be sold the week of Nov. 17,

14 head of 600# to 800# will be sold the week after Thanksgiving.

When the above sales are completed, all calves will be liquidated.

D. TRUSTEE'S PAYMENT REVIEW - Exhibit B

The Trustee's payment review indicates long term payments with the exception of the State Tax and Internal Revenue Service which do not show a fixed payment amount.

E. LIQUIDATION ANALYSIS - Exhibit C

According to the Trustee's Liquidation Analysis, the estate has a net equity of \$69,453.00. Total unsecured claims are \$272,705.00. If all equipment values and positions are correct, there would be an approximate 25% pay out.

After a liquidation has been completed, it may change the potential distribution to creditors claiming an interest in equipment and distribution of unsecured creditors.


F. RE-CAP OF UCC SEARCH WITH THE SECRETARY OF STATE - Exhibit D

Exhibit D is a re-cap of recordings with the Idaho Secretary of State.

G. TRUSTEE'S RECOMMENDATION

1. The Trustee can not recommend Confirmation for the following reasons:
  - (a) The Plan is proposed as a liquidation Plan with the exception of two vehicles and a residence.
  - (b) The Trustee does not believe this liquidation qualifies under 1206. This liquidation goes beyond the scaling down of the size of the farming operation. The farming operation will not continue.
2. The Trustee will recommend the case be converted to a Chapter 7.

DATED this 12<sup>th</sup> day of November, 2003.

  
Forrest P. Hymas  
Chapter 12 Trustee

Trustee's report - Ketterling, Lynn - #03 - 41318  
Hearing date - November 18, 2003  
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# CERTIFICATE OF SERVICE

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**EXHIBIT A**

**INCOME AND EXPENDITURES - 7/10/03 - 11/12/03**

INCOME	BUDGET	ACTUAL JULY	ACTUAL AUGUST	ACTUAL SEPTEMBER	ACTUAL OCTOBER
Cattle sales	\$22,725.00	\$21,360.00	\$11,220.00	\$23,540.00	\$5,720.00
Sugar beets	2,500.00				
Custom feed	1,000.00				
Rebate seed	1,074.00				
Other	0.	350.00	381.99		206.00
<b>TOTAL</b>	<b>\$27,299.00</b>	<b>\$21,710.00</b>	<b>\$11,601.99</b>	<b>\$23,540.00</b>	<b>\$5,926.00</b>
EXPENSES					
Feed grain	\$4,500.00	\$3,265.89	\$891.59	\$3,043.17	
Feed milk	3,900.00	1,872.89	756.60	0.	
Phone	160.00	163.40	94.49	116.00	358.38
Fuel	400.00	148.09	344.94	228.23	214.10
Health Insurance	330.00	400.00	400.00	0.	0.
Other insurance	560.00	560.00	584.03	0.	0.
Elmer Ketterling	500.00	500.00	0.	500.00	500.00
Employees	3,600.00	2,091.34	2,363.95	474.66	0.
Repairs	400.00	110.99	349.46	766.79	0.
Vet/Brand	600.00	86.42	265.71	110.55	139.31
Power	500.00	396.00	540.18	517.71	223.10
Living	1,300.00	975.00	3,034.03	650.00	0.
Other		20.00			
<b>TOTAL</b>	<b>\$16,750.00</b>	<b>\$10,590.02</b>	<b>\$9,624.98</b>	<b>\$6,407.11</b>	<b>\$1,434.89</b>

EXHIBIT B

## PAYMENT REVIEW

NAME Ketterling, LYN  
CASE NO. 03-41318  
PLAN: Original X  
Amended \_\_\_\_\_

TERM OF PLAN \_\_\_\_\_  
DATE PREPARED \_\_\_\_\_  
DATE CONFIRMED \_\_\_\_\_  
OTHER \_\_\_\_\_

[illegible]

SPECIAL INSTRUCTIONS Ford Melon will be paid 300 per mu.  
until confirmation



NAME: KetHealing, LYN LIQUIDATION ANALYSIS - EXHIBIT C  
CASE NO: 03-41318

CLASS	CREDITOR	P/C	ASSETS SECURITY	POSITION	DEBT	VALUE	% COST	COST OF LIQUIDATION	LIQUIDATED VALUE	NET VALUE AFTER DEBT SERVICE
	Slimer Ketting, Inc.	22	100% 100% Residence + 2000	1st	81,500	15,338	20%	31,077	124,306	42,808
			100% 100%							
	Farm Service	23	100% 100% 100% 100%	1st	80,000	15%	12,000	68,000		
			Crops	2nd	0					
			Equipment	2nd	?					
	Shoreline Services		100% 100%	1st	160,000	20%	32,000	128,000		
	Self Storage		Residence	2nd					44,200	
			Total		211,337	240,000	-	44,000	238,000	26,663
	Ford Motor	24	Expedition	1st	85,437	18,000	15%	27,000	15,300	6754
	Guyton Corp	26	1999 Ford 250	1st	15,815	21,000	15%	3,150	17,650	2,005
	D.L. Evans	10	Auto	1st	81,079	50,000	-	0	31,079	
			Equip	1st						
			1993 Dodge 78	1st		5000	15%	750	4250	+
			1996 Ford 9030	1st		?				
			2004 Buick Wildcat	1st		?				
			Vinyl Pools	1st		71,600	15%	10,740	60,860	
			Total		81,079	126,000		11,490	115,110	34031

The Plan meets the requirements of 1225 (a) (4)

## LIQUIDATION ANALYSIS - EXHIBIT C

CLASS	CREDITOR	P/C	ASSETS SECURITY	POSITION	DEBT	VALUE	% COST	COST OF LIQUIDATION	LIQUIDATED VALUE	NET VALUE AFTER DEBT SERVICE
	Western Farm	14	Equipment	1st & 2nd	102,517	?				
	John Deere	7	JD 96 w/ loader	1st	36,152	5600 <sup>sol</sup>	15%	8700	49,360	13,148
	John Deere	8	4x2 g/a/c	1st	1559	2000 <sup>sol</sup>	15%	300	1800	261
	John Deere	9	Skip loader	1st	5409	16000 <sup>sol</sup>	15%	2400	13600	8191
	Telmark	34	120 Gal / 1700 lb	1st	12000					
	Wells Fargo		Lease							
	Agco Finance		Tractor Hector 4135	1st				Page # 1 Page # 2	21,540 69,453	
	Chastensen		4555 JD TR	1st			Less TAX Net Equity		90,993 25,590 65,403	

The Pion meets the requirements of 1225 (a) (4)

**EXHIBIT D - REVIEW OF UCC FILINGS**

Year	Trustee #	Date	Creditor	Position	Collateral
1996	25	2/21/96	D. L. Evans Bank	1 <sup>st</sup>	crops, cattle
	21	2/21/96	D. L. Evans Bank	1 <sup>st</sup>	1993 Omaha Defoliator & Row Header
	20	2/21/96	D. L. Evans Bank	1 <sup>st</sup>	1995 Ford 9030 New Holland 2214
	17	2/21/96	D. L. Evans Bank	1 <sup>st</sup>	Livestock, crops, feed equipment
	15	8/15/96	D. L. Evans Bank	1 <sup>st</sup>	New Holland Baler
	13	11/12/96	D. L. Evans Bank	1 <sup>st</sup>	1993 Omaha Bed 201 1991 John Deere 4555 Tr
1997	26	3/12/97	D. L. Evans Bank	1 <sup>st</sup>	Crops, amendment
1999	12	4/12/99	Farm Service	1 <sup>st</sup>	Snake River stock
	10	9/13/99	Deere and Company	1 <sup>st</sup>	John Deere 4 x 2 gater
	11	4/15/99	Deere and Company	1 <sup>st</sup>	John Deere 8875 Skiploader
	18	4/19/99	D. L. Evans Bank	1 <sup>st</sup>	change of address
	27	4/19/99	D. L. Evans Bank	1 <sup>st</sup>	change of address
2000	9	5/24/00	Western Farm Service	1 <sup>st</sup> and 2 <sup>nd</sup>	Financing statement long list of equipment
	19	9/14/00	D. L. Evans		cont. of 2/21/96 - 695423
	21	9/14/00	D. L. Evans		cont. of 2/21/96 - 695415
	22	9/14/00	D. L. Evans		cont. of 2/2/96 - 6362307
2001	28	2/01/01	D. L. Evans		cont. of 2/21/96
	8 b	2/09/01	John Deere	1 <sup>st</sup>	John Deere 544 loader
	16	3/14/01	D. L. Evans		cont. 8/15/96
	8 a	4/12/01	Telmark LLC	1 <sup>st</sup>	120 calf condos
	24	5/03/01	Farm Service	2 <sup>nd</sup>	crops, cattle & calves
	14	6/18/01	D. L. Evans		cont. of 11/12/96 - 72897
	7	11/01/01	Agco Finance	1 <sup>st</sup>	Heston 4755 Baler
	5	11/08/01	D. L. Evans Bank	1 <sup>st</sup>	all equipment, calf vinyl pens, shop tools
2002	4	3/21/02	Christensen Equipment		4555 John Deere tr
	3	4/27/02	D. L. Evans Bank		1995 Allen 8827 Hydr rake
	2	5/21/02	Farm Credit Leasing		2002 Pro Ag 12 K Bale Runner
	1	5/28/02	D. L. Evans Bank		all equipment
	29	7/18/02	D. L. Evans Bank		dairy cattle